

KMCWC HemOnc Department Analysis
February 1997 through July 31, 2001

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Procedures Billed and Paid By Year

YEAR	UNITS	AMOUNT BILLED	PATIENT PAYMENTS	INSURANCE PAYMENTS	CHARGE ADJUST	INSURANCE WRITE OFF	RECEIPT ADJUST	BALANCE TRANSFERS
YEAR - 1997	127	\$ 32,580.00	\$ (2.82)	\$ (2,674.27)	\$	\$ (3,265.61)	\$	\$
YEAR - 1998	86	\$ 21,999.00	\$ (1,260.79)	\$ (15,752.11)	\$ (4,872.00)	\$ (18,626.06)	\$ 47.10	\$
YEAR - 1999	231	\$ 60,635.00	\$ (1,216.27)	\$ (28,178.63)	\$ (2,126.65)	\$ (28,346.99)	\$	\$
YEAR - 2000	150	\$ 38,837.00	\$ (388.11)	\$ (15,349.93)	\$ (5,298.16)	\$ (24,754.52)	\$ 229.10	\$ 43.91
YEAR - 2001	131	\$ 33,854.00	\$ (390.23)	\$ (4,924.20)	\$ (14,454.25)	\$ (10,531.11)	\$	\$
GRAND TOTALS		\$ 187,905.00	\$ (3,258.22)	\$ (64,859.04)	\$ (26,751.06)	\$ (85,524.29)	\$ 276.20	\$ 43.91

Procedures Billed and Paid By Procedure Type

BY PROCEDURE	UNITS	AMOUNT BILLED	PATIENT PAYMENTS	INSURANCE PAYMENTS	INSURANCE WRITE OFF	MISC ADJUSTMENTS
62270-DIAGNOSTIC SPINAL F	35	\$ 5,810.00	\$ (23.37)	\$ (1,812.75)	\$ (3,017.62)	\$ (236.24)
85095-BONE MARROW ASPIRAT	149	\$ 30,150.00	\$ (760.84)	\$ (9,046.73)	\$ (14,274.39)	\$ (5,545.00)
85102-BONE MARROW BIOPSY	143	\$ 35,815.00	\$ (722.31)	\$ (15,396.23)	\$ (13,947.52)	\$ (3,813.71)
96450-CHEMOTHERAPY LUMBAR	390	\$ 116,130.00	\$ (1,731.70)	\$ (38,603.43)	\$ (54,284.76)	\$ (16,836.00)
GRAND TOTALS	717	\$ 187,905.00	\$ (3,258.22)	\$ (64,859.04)	\$ (85,524.29)	\$ (26,430.95)

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Payments by Medical/MedQuest

MEDICAID/MEDQUEST	AMOUNT BILLED	PATIENT PAYMENTS	INSURANCE PAYMENTS	CHARGE ADJUST	INSURANCE WRITEOFF	RECEIPT ADJUST	BALANCE TRANSFERS
8 - MEDICAID SAIPAN	\$ 989.00	\$ (462.70)	\$ (513.95)	\$ -	\$ -	\$ -	\$ -
9 - GUAM MEDICAID	\$ 1,885.00	\$ -	\$ (1,642.14)	\$ -	\$ (242.86)	\$ -	\$ -
10 - MEDICAID-HMSA	\$ 36,143.00	\$ (482.31)	\$ (7,616.52)	\$ (3,140.00)	\$ (22,441.53)	\$ -	\$ -
28 - HMSA QUEST	\$ 10,950.00	\$ -	\$ (1,585.10)	\$ (4,285.00)	\$ (5,127.00)	\$ 47.10	\$ -
76 - ZZZQUEENS HAWAII CA	\$ 2,319.00	\$ -	\$ (385.21)	\$ (989.00)	\$ (944.79)	\$ -	\$ -
77 - QUEENS HAWAII CARE	\$ 247.00	\$ -	\$ (89.15)	\$ -	\$ (157.85)	\$ -	\$ -
163 - KAPIOLANI HEALTH HA	\$ 861.00	\$ -	\$ (251.35)	\$ -	\$ (609.65)	\$ -	\$ -
500 - ALOHA CARE	\$ 6,985.00	\$ -	\$ (1,407.11)	\$ (649.00)	\$ (4,928.89)	\$ -	\$ -
GRAND TOTALS	\$ 60,379.00	\$ (945.01)	\$ (13,490.53)	\$ (9,063.00)	\$ (34,452.57)	\$ 47.10	\$ -

Payments by Medicare/Tricare

MEDICARE/TRICARE	AMOUNT BILLED	PATIENT PAYMENTS	INSURANCE PAYMENTS	CHARGE ADJUST	INSURANCE WRITEOFF	RECEIPT ADJUST	BALANCE TRANSFERS
201 - CHAMPUS TRICARE PGB	\$ 201.00	\$ -	\$ (7.00)	\$ -	\$ -	\$ -	\$ -
201 - CHAMPUS TRICARE 2nd	\$ 201.00	\$ -	\$ (7.00)	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS	\$ 402.00	\$ -	\$ (14.00)	\$ -	\$ -	\$ -	\$ -

Payments By Payor Type Summary

PAYOR TYPE	AMOUNT BILLED	PATIENT PAYMENTS	INSURANCE PAYMENTS	CHARGE ADJUST	INSURANCE WRITEOFF	RECEIPT ADJUST	BALANCE TRANSFERS
PRIVATE THIRD PARTY PAYORS	\$ 127,325.00	\$ (2,313.21)	\$ (51,361.61)	\$ (17,688.06)	\$ (51,071.92)	\$ 229.10	\$ 43.91
MEDICAID/MEDQUEST	\$ 60,379.00	\$ (945.01)	\$ (13,490.53)	\$ (9,063.00)	\$ (34,452.57)	\$ 47.10	\$ -
MEDICARE/TRICARE	\$ 201.00	\$ -	\$ (7.00)	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS	\$ 187,905.00	\$ (3,258.22)	\$ (64,859.14)	\$ (26,751.06)	\$ (85,524.49)	\$ 276.20	\$ 43.91

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KMCWC HemOnc Department Summary of Findings February 1997 to September 1, 1999

Summary

An analysis of select patient files and related billing data for Hematology/Oncology ("HemOnc") Physicians was conducted on August 14, 2001. The review focused on the following four invasive procedures:

1. 62270 (Spinal puncture, lumbar, diagnostic)
2. 85095 (Bone marrow, aspiration only)
3. 85102 (Bone marrow biopsy, needle or trocar)
4. 96450 (Chemotherapy administration, into CNS (e.g., intrathecal), requiring and including lumbar puncture)

The procedures analyzed were all performed at Kapi'olani Medical Center for Women & Children ("KMCWC"). The Pediatric Ambulatory Unit ("PAU") is a department of the hospital. Most procedures are performed in a treatment room on the PAU unit. The hospital employs a Nurse Practitioner ("NP"). The NP performs procedures as well.

The purpose of the analysis was to determine who performed each procedure, based on medical record documentation, and to assess whether the procedure should have been billed by the physician and paid based on the current Medicare regulations. The methodology employed, findings, and monetary impact of items found in error are detailed in the body of this report.

Deloitte & Touche ("D&T") was retained by Kapi'olani's ("KH") outside counsel, Dennis M. Warren, to perform the work described in this document. All work associated with this project was undertaken at the direction of Mr. Warren and/or Kapiolani's General Counsel, Sharon On Leng, working in concert with Mr. Warren.

Methodology

Objective

The analysis was performed to evaluate whether medical record documentation by HemOnc physicians for procedures submitted to government payers was compliant with Medicare Regulations.

Sampling Unit

The sampling unit used for this analysis was a paid claim that contained any/or some combination of four CPT codes as identified above.

Claims Population

The population included paid claims for procedures billed by HemOnc physicians between February 1997 and September 1, 1999. This timeframe represents the period from which Kapi`olani Medical Specialists ("KMS"), a subsidiary of KH, began billing for HemOnc professional services until the point in time that KMS management implemented an organizational change effective September 1, 1999. In the first quarter of 1999, KMS management began providing education and guidance to HemOnc physicians regarding procedure performance and documentation standards as set forth in Medicare regulations. In addition, the billing office implemented a 100% review policy effective September 1, 1999 such that documentation for every service submitted for billing was examined by a coder prior to claims processing.

Sampling Frame

Electronic billing files were provided to D&T by KMS for the period under analysis. The electronic files contained patient/medical record numbers (to assist in locating the chart), date of service, medical provider number, procedure code, and diagnostic information. The files were summarized by payer and procedure code. When only government payers were selected, a total of 62 claims were identified. These 62 claims were found to constitute a full sample for the time period.

Sources of Data

D&T obtained and read the following documents in order to complete this analysis:

- Medical Record documentation including the PAU record, anesthesia record, and physician orders. The PAU unit utilizes a multi-disciplinary record on which both physicians and nurses document all care provided to a patient for a given date of service. Procedures performed are documented on this record.
- Superbill indicating the services performed. The physician chooses the level of E/M service provided and indicates procedures performed.
- HCFA-1500
- Remittance Advice

Analysis Protocol

D&T utilized the following Medicare Regulations in cases where a procedure was performed by the NP it would be considered inappropriately billed:

Medicare Carriers Manual §2050.1 Incident to Physician's Professional Services states that certain criteria must be met in order to bill services incident to. We identified two criteria that were not met.

1. "For hospital patients, there is no Medicare coverage of the services of physician-employed auxiliary personnel as services incident to physicians' services under §1861(s)(2)(A) of the Social Security Act."
2. At §2050.1C the regulation goes on to state, "Employment. --To be considered an employee for purposes of this section, the nonphysician performing an incident to service may be a part-time, full-time, or leased employee of the supervising physician, physician group practice, or of the legal entity that employs the physician (hereafter referred to collectively as the physician or other entity) who provides direct personal supervision (as described below)."

Since all services are performed in the hospital setting, there is no coverage. The HemOnc physicians do not employ the NP. It was determined that these regulatory provisions did not apply to the PAU unit and as a result, any service performed, all or in part, by the NP would not be billable.

When analyzing services the one service provided by a resident and billed by the teaching physician, D&T utilized the following regulation:

Medicare Carriers Manual §15016, Supervising Physicians in Teaching Settings, "In order to bill for surgical, high-risk, or other complex procedures, the teaching physician must be present during all critical and key portions of the procedure and be immediately available to furnish services during the entire procedure."

Claims were determined to be in error if the billed procedures were documented as:

1. Performed by a NP with either no documented attending physician supervision and/or no physician documentation;
2. Performed by a resident with either no documented attending physician supervision and/or no physician documentation; or
3. Performed by the attending physician with no physician documentation.

Findings

For purposes of analyzing each claim we determined who performed the procedure, what record was relied upon in making this determination, and whether the procedure should have been billed and paid. The following categories of findings were developed:

Procedures Found in Error Based on Documentation	# Of Occurrences
1. Unable to Determine Who Performed Procedure: D&T was unable to determine who performed the billed procedure based on the documentation provided. Essentially there was no documentation to support billing for a procedure.	<u>11</u>
2. Performed by NP/Physician: The Anesthesia Record indicated that both the NP and the HemOnc Physician were present at some time during the procedure. However, because a procedure note was not included in the documentation, D&T was unable to determine if the physician was present during or personally performed the key portion of the procedure.	<u>13</u>
3. Performed by NP: D&T determined that the NP performed the billed procedure based on the documentation provided. Attending supervision was not documented in the patient's medical record. NP was indicated as the performing clinician in the PAU Note and/or the Anesthesia Record.	<u>6</u>
4. Performed by Resident: D&T determined that a Resident performed the billed procedure based on the documentation provided. Attending supervision was not documented in the medical record. The Resident was indicated as the performing physician in the Anesthesia Record.	<u>1</u>
5. Performed by Physician: D&T determined that the attending physician completed the billed procedure; however, there was no documentation regarding the procedure completed by the physician included in the documentation provided. The performing physician was indicated in the PAU Note and/or Anesthesia record.	<u>7</u>
Total Procedures Found in Error	<u>38</u>

Monetary Impact

Of the 62 claims for invasive procedures billed to government payers during the time period in question, it was determined that the medical records did not support the procedure billed in 38 instances, representing \$4536.14 in overpayments. Of this figure \$2932.17 was paid by Hawaii Medicaid; and \$1603.97 was paid by the Med-Quest program. The following chart entitled "KMCWC HemOnc Department, Summary of Findings Chart, February 1997 to September 1, 1999" breaks this total figure out by physician, number of procedures paid and the amount of restitution.

KMCWC Hen. c Department
 Summary of Findings Chart
 February 1997 – September 1, 1999

HICN #	Patient Name	Date of Service	Paid Amt.	Payer	Attending	Finding
Kyono Total						
180400		3/18/1999	143.04	Medicaid	Kyono	No Documentation of Surgeon - Anesthesia Record
167365		1/22/1999	85.30	HMSA-HMO	Kyono	Performed by Physician - PAU Note
Total Procedures: 2			228.34			
Medeiros Total						
72641		1/20/1998	201.00	Medicaid-Saipan	Medeiros	Performed by NP/Physician - Anesthesia Record
193290		5/6/1999	234.65	Medicaid-Saipan	Medeiros	Performed by NP/Physician - Anesthesia Record
173048		2/11/1999	120.00	Medicaid	Medeiros	Performed by NP/Physician - Anesthesia Record
201698		6/29/1999	36.70	Medicaid	Medeiros	Performed by NP/Physician - PAU Note & Anesthesia Record
199083		5/28/1999	45.10	Medicaid	Medeiros	Performed by Physician - Anesthesia Record
195912		5/27/1999	87.40	HMSA Quest	Medeiros	Performed by Physician - Anesthesia Record
201893		6/29/1999	81.23	Aloha Care	Medeiros	Unable to Determine who Performed Procedure - No Documentation
201375		6/15/1999	82.00	Medicaid	Medeiros	Unable to Determine who Performed Procedure - No Documentation
70793		1/8/1998	81.52	UHA	Medeiros	Unable to Determine who Performed Procedure - No Documentation
66265		12/3/1997	87.50	Medicaid	Medeiros	Unable to Determine who Performed Procedure - No Documentation
67899		12/26/1997	87.50	Medicaid	Medeiros	Unable to Determine who Performed Procedure - No Documentation
Total Procedures: 11			1,144.60			

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KMCWC HemOnc Department
Summary of Findings Chart
February 1997 – September 1, 1999

HICN #	Patient Name	Date of Service	Paid Amt.	Payer	Attending	Finding
Pohlson Total						
180151	[REDACTED]	3/9/1999	45.10	Medicaid	Pohlson	Performed by Resident - Anesthesia Record
Total Procedures: 1			45.10			
Reddy Total						
171942	[REDACTED]	2/17/1999	60.00	Medicaid	Reddy	Performed by NP/Physician - Anesthesia Record
Total Procedures: 1			60.00			
Wilkinson Total						
60003	[REDACTED]	11/28/1997	87.00	Medicaid	Wilkinson	Performed by NP - Anesthesia Record
56061	[REDACTED]	1/4/1997	60.00	Medicaid	Wilkinson	Performed by NP - PAU Note
66705	[REDACTED]	12/12/1996	132.60	Medicaid	Wilkinson	Performed by NP/Physician - Anesthesia Record
70735	[REDACTED]	12/29/1997	132.60	Medicaid	Wilkinson	Performed by NP/Physician - Anesthesia Record
Total Procedures: 4			312.60			
72878	[REDACTED]	12/31/1997	108.47	HMSA-HMO	Wilkinson	Unable to Determine who Performed Procedure - No Documentation
Total Procedures: 5			520.67			
Woodruff Total						
169879	[REDACTED]	2/3/1999	96.20	Medicaid	Woodruff	No Documentation of Surgeon - PAU Note & Anesthesia Record
157528	[REDACTED]	12/7/1998	143.04	Medicaid	Woodruff	No Documentation of Surgeon - PAU Note & Anesthesia Record
60097	[REDACTED]	11/18/1997		Queen's Hawaii Care	Woodruff	Performed by NP - Anesthesia Record

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KMCWC Health Care Department
 Summary of Findings Chart
 February 1997 – September 1, 1999

HICN #	Patient Name	Date of Service	Paid Amt.	Payer	Attending	Finding
59889	[REDACTED]	11/10/1997	294.50	Gaum Memorial Health	Woodruff	Performed by NP - Anesthesia Record
60075	[REDACTED]	11/11/1997	143.65	Medicaid	Woodruff	Performed by NP - PAU Note
66060	[REDACTED]	11/10/1997	163.80	Gaum Memorial Health	Woodruff	Performed by NP - PAU Note & Anesthesia Record
459701	[REDACTED]	9/8/1997	27.00	HMSA Quest	Woodruff	Performed by NP/Physician - Anesthesia Record
72920	[REDACTED]	1/7/1998	83.90	Medicaid	Woodruff	Performed by NP/Physician - Anesthesia Record
194674	[REDACTED]	5/25/1999	118.20	Medicaid	Woodruff	Performed by NP/Physician - Anesthesia Record
207342	[REDACTED]	7/21/1999	291.70	Aloha Care	Woodruff	Performed by NP/Physician - Anesthesia Record
67393	[REDACTED]	12/16/1998	495.00	Medicaid	Woodruff	Performed by NP/Physician - Anesthesia Record
65921	[REDACTED]	11/26/1997	60.00	Medicaid	Woodruff	Performed by NP/Physician - Anesthesia Record
175725	[REDACTED]	3/8/1999	60.00	Medicaid	Woodruff	Performed by Physician - Anesthesia Record
193640	[REDACTED]	5/4/1999	132.60	Medicaid	Woodruff	Performed by Physician - Anesthesia Record
161700	[REDACTED]	1/6/1999	96.20	Medicaid	Woodruff	Performed by Physician - Anesthesia Record
193257	[REDACTED]	4/27/1999	83.04	Medicaid	Woodruff	Unable to Determine who Performed Procedure - No Documentation
188338	[REDACTED]	4/27/1997	72.60	Medicaid	Woodruff	Unable to Determine who Performed Procedure - No Documentation
			60.00			

Total Procedures: 17

2,421.43

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KMCWC HemOne Department
 Summary of Findings Chart
 February 1997 – September 1, 1999

HICN #	Patient Name	Date of Service	Paid Amt.	Payer	Attending	Finding
Yamamoto Total 58079		11/6/1997	116.00	Aloha Care	Yamamoto	Performed by Physician - Anesthesia Record
Total Procedures: 1			116.00			

Grand Total: 38 Procedures

4,536.14

PRODUCED PURSUANT TO PROTECTIVE ORDER FOR HIPAA DOCUMENTS IN
 WOODRUFF VS. HAWAII PACIFIC HEALTH, KAPIOLANI MEDICAL
 SPECIALISTS, KAPIOLANI MEDICAL CENTER FOR WOMEN AND CHILDREN,
 ROGER DRUE, FRANCES A. HALLOINGQUIST, NEIL WINN, M.D., SHERREL
 HAMMAR, M.D., DELOITTE & TOUCHE LLP, DENNIS M. WARREN, ESQ., CIVIL
 NO. 02-1-0090-01 (BIA), IN THE CIRCUIT COURT OF THE FIRST CIRCUIT, STATE
 OF HAWAII